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TOWN OF LEONVILLE  
LEONVILLE, LOUISIANA

FINANCIAL REPORT FOR THE  
YEAR ENDED JUNE 30, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-22-03

RICHARD C. URBAN  
CERTIFIED PUBLIC ACCOUNTANT

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**F I N A N C I A L   S E C T I O N**

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RICHARD C. URBAN

CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

To the Town Council  
Town of Leonville, Louisiana

We have audited the accompanying general purpose financial statements and the combining, individual fund and account group financial statements of the Town of Leonville, Louisiana as of and for the year ended June 30, 2002, as listed in the table of contents. These financial statements are the responsibility of the Town of Leonville's management. Our responsibility is to express an opinion on these financial statements based on our audit.

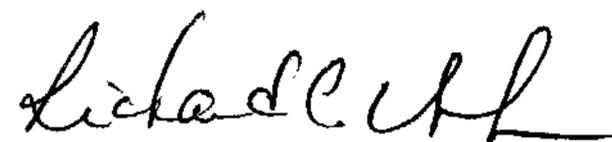
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Leonville, Louisiana, as of June 30, 2002, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining, individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Town of Leonville, Louisiana, at June 30, 2002, and the results of operations of such funds and the cash flows of individual proprietary funds for the year then ended, in conformity with Accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 20, 2002, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general

purpose financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general purpose financial statements. The accompanying financial information listed as general information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Town of Leonville, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.



RICHARD C. URBAN, C.P.A.

Opelousas, Louisiana  
December 20, 2002

**GENERAL PURPOSE  
FINANCIAL STATEMENTS**

TOWN OF LEONVILLE, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 June 30, 2002  
 With Comparative Totals for June 30, 2001

	<u>Governmental Fund Type</u>	<u>Proprietary Fund Types</u>
	<u>General</u>	<u>Enterprise</u>
<b>ASSETS</b>		
Cash	\$ 5,864	\$ 242,737
Receivables (net of allowance for uncollectables):		
Taxes	965	---
Accounts	4,634	83,475
Due from other funds	---	---
Unbilled service revenue	---	23,331
Grants receivable	---	61,477
Other receivables	---	181
Cylinder deposits	---	1,600
Restricted assets:		
Cash	---	12,011
Fixed assets (net of accumulated depreciation)	<u>---</u>	<u>7,165,531</u>
 Total Assets	 <u>11,463</u> <u>=====</u>	 <u>7,590,343</u> <u>=====</u>

The accompanying notes are an integral part of this statement.

<u>Account Groups</u>	<u>TOTALS</u>	
General Fixed Assets	(Memorandum Only)	
	<u>2002</u>	<u>2001</u>
\$     ---	\$ 248,601	\$ 192,036
---	965	231
---	88,109	86,889
---	---	2,010
---	23,331	17,916
---	61,477	589,800
---	181	---
---	1,600	2,000
---	12,011	12,346
<u>149,697</u>	<u>7,315,228</u>	<u>6,288,722</u>
<u>149,697</u>	<u>7,751,503</u>	<u>7,191,950</u>

TOWN OF LEONVILLE, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 June 30, 2002  
 With Comparative Totals for June 30, 2001

	<u>Governmental Fund Type</u>	<u>Proprietary Fund Types</u>
	<u>General</u>	<u>Enterprise</u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 2,137	\$ 77,321
Accrued expenses	1,623	11,952
Due to other funds	---	---
Sewer bonds payable	---	1,214,980
Current liabilities payable from restricted assets:		
Customers' deposits	---	11,095
<b>Total liabilities</b>	<b>3,760</b>	<b>1,315,348</b>
<b>Fund equity:</b>		
Investments in general fixed assets	---	---
Contributed capital	---	5,697,640
Retained earnings:		
Unreserved	---	577,355
Fund balances:		
Unreserved-undesignated	7,703	---
<b>Total fund equity</b>	<b>7,703</b>	<b>6,274,995</b>
<b>Total liabilities and fund equity</b>	<b>11,463</b>	<b>7,590,343</b>

The accompanying notes are an integral part of this statement.

<u>Account Groups</u> General Fixed Assets	TOTALS	
	(Memorandum Only)	
	<u>2002</u>	<u>2001</u>
\$ ---	\$ 79,458	\$ 600,217
---	13,575	34,011
---	---	2,010
---	1,214,980	1,220,000
---	11,095	11,555
---	<u>1,319,108</u>	<u>1,867,793</u>
149,497	149,697	146,777
---	5,697,640	4,587,566
---	577,355	579,611
---	<u>7,703</u>	<u>10,203</u>
<u>149,697</u>	<u>6,432,395</u>	<u>5,324,157</u>
<u>149,697</u>	<u>7,751,503</u>	<u>7,191,950</u>

TOWN OF LEONVILLE, LOUISIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
 Year Ended June 30, 2002  
 With Comparative Totals for the Year Ended June 30, 2001

	<u>Governmental Fund Type</u>	TOTALS (Memorandum Only)	
	<u>General</u>	<u>2002</u>	<u>2001</u>
Revenues:			
Taxes	\$ 2,074	\$ 2,074	\$ 1,737
Licenses and permits	16,282	16,282	14,670
Franchise fees	29,811	29,811	32,028
Payment in lieu of taxes	2,399	2,399	1,960
Fines	14,975	14,975	9,444
State revenue sharing	585	585	1,531
Miscellaneous	54,791	54,791	5,292
Interest	105	105	228
Total revenues	<u>121,022</u>	<u>121,022</u>	<u>66,890</u>
Expenditures:			
Current:			
General government	41,673	41,673	45,133
Public safety - police	78,842	78,842	85,713
Street department	<u>67,007</u>	<u>67,007</u>	<u>16,076</u>
Total expenditures	<u>187,522</u>	<u>187,522</u>	<u>146,922</u>
Excess (deficiency) of revenues over (under) expenditures	( 66,500)	( 66,500)	( 80,032)
Other financing sources (uses):			
Operating transfers in	64,000	64,000	68,000
Operating transfers out	<u>---</u>	<u>---</u>	( 17,032)
Total other financing sources (uses)	<u>64,000</u>	<u>64,000</u>	<u>50,968</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	( 2,500)	( 2,500)	( 29,064)
Fund balance, beginning	<u>10,203</u>	<u>10,203</u>	<u>39,267</u>
Fund balance, ending	<u>7,703</u>	<u>7,703</u>	<u>10,203</u>

The accompanying notes are an integral part of this statement.

TOWN OF LEONVILLE, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
 For the Year Ended June 30, 2002

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 1,340	\$ 2,074	\$ 734
Licenses and permits	15,881	16,282	401
Franchise fees	30,626	29,811	( 815)
Payment in lieu of taxes	2,399	2,399	---
Fines	15,300	14,995	( 305)
State revenue sharing	586	585	( 1)
Miscellaneous	62,466	54,791	( 7,675)
Interest	105	105	---
Total revenues	<u>128,703</u>	<u>121,022</u>	<u>( 7,681)</u>
<b>Expenditures:</b>			
General government	37,716	41,673	( 3,957)
Public safety	82,014	78,842	3,172
Street department	<u>76,728</u>	<u>67,007</u>	<u>9,721</u>
Total expenditures	<u>196,458</u>	<u>187,522</u>	<u>8,936</u>
Excess (deficiency) of revenues over (under) expenditures	<u>( 67,755)</u>	<u>( 66,500)</u>	<u>1,255</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	64,000	64,000	---
Operating transfers out	<u>( ---)</u>	<u>( ---)</u>	<u>( ---)</u>
Total other financing sources (uses)	<u>64,000</u>	<u>64,000</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expen- ditures and other uses	<u>( 3,755)</u>	<u>( 2,500)</u>	<u>1,255</u>
Fund balance, beginning	<u>---</u>	<u>10,203</u>	<u>10,203</u>
Fund balance, ending	<u>( 3,755)</u>	<u>7,703</u>	<u>11,458</u>

The accompanying notes are an integral part of this statement.

TOWN OF LEONVILLE, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN RETAINED EARNINGS - PROPRIETARY FUND TYPE  
 Year Ended June 30, 2002

	Enterprise
	2002
Operating revenues:	
Charges for services:	
Gas sales	\$ 80,976
Water sales	508,217
Sewer revenue	21,750
Delinquent penalties	12,359
Miscellaneous revenues	16,419
Total operating revenue	639,721
Operating expenses:	
Gas department	65,422
Water department	446,124
Sewer department	50,595
Total operating expenses	562,141
Operating income (loss)	77,580
Non-operating revenues (expenses):	
Interest income	2,462
Interest expense	( 18,298)
Total non-operating revenues (expenses)	( 15,836)
Income (loss) before operating transfers	61,744
Transfers to General Fund	( 64,000)
Net operating transfers	( 64,000)
Net income (loss)	( 2,256)
Retained earnings (deficit), beginning	579,611
Retained earnings (deficit), ending	577,355

The accompanying notes are an integral part of this statement.

TOWN OF LEONVILLE, LOUISIANA  
 COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES  
 Year Ended June 30, 2002

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income (loss)	\$( 2,256)
Adjustments to reconcile net loss to net cash provided by operations:	
Depreciation	109,754
Decrease (increase) in:	
Accounts receivable	( 2,108)
Unbilled service revenue	( 5,415)
Grants receivable	528,323
Other receivables	( 181)
Cylinder deposits	400
Increase (decrease) in:	
Accounts payable/accrued expenses	( 542,608)
Due to other funds	( 2,010)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>83,899</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in contributed capital	1,110,074
Decrease in bonds payable	( 5,020)
Purchases of plant and equipment	(1,133,340)
Decrease in restricted assets	335
Decrease in current liabilities payable from restricted assets	( 460)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>( 28,411)</u>
NET INCREASE (DECREASE) IN CASH	55,488
CASH AT BEGINNING OF YEAR	<u>187,249</u>
CASH AT END OF YEAR	<u><u>242,737</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF LEONVILLE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2002

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Leonville, Louisiana was incorporated under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Leonville conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

Reporting Entity

This report includes all funds and the general fixed asset account group which are controlled by or dependent on the Mayor and Board of Aldermen. Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Fund Accounting

The accounts of the Town of Leonville are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties (enterprise funds).

## NOTES TO FINANCIAL STATEMENTS (continued)

### Basis of Accounting

Basis of Accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Fines and permits are not susceptible to accrual because generally they are not measurable until received. Therefore, they are not recognized as revenue until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

### Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Mayor prepares a proposed budget and submits same to the Board of Aldermen no later than thirty days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Any budgetary amendments require the approval of the Mayor and Board of Aldermen.
6. Any budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTES TO FINANCIAL STATEMENTS (continued)

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Prepaid Items

Payments made to insurance companies for coverage that will benefit the period beyond June 30, 2002, are recorded as prepaid insurance.

Bad Debts

Uncollectable amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectability of the particular receivable.

Fixed Assets and Long-term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets account group, and are recorded as expenditures in the governmental fund types when purchased. The Town has elected to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method.

All fixed assets are stated at historical cost.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. No interest costs have been capitalized for the fiscal year ended June 30, 2002.

NOTES TO FINANCIAL STATEMENTS (continued)

Compensated Absences

The Town has adopted a policy of ten days vacation per year, which may not carry over or accumulate to future years. At June 30, 2002, the liability for accumulated unpaid vacation was minimal for both the general and proprietary funds, and no liability has been recorded.

Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2 - INTERFUND RECEIVABLES AND PAYABLES**

The Town of Leonville had no interfund payables or receivables at June 30, 2002.

**NOTE 3 - RESTRICTED ASSETS - PROPRIETARY FUND TYPE**

Restricted assets were applicable to the following at June 30:

	<u>2002</u>	<u>2001</u>
Customers' deposits	\$ <u>12,011</u>	\$ <u>12,346</u>
	<u>12,011</u>	<u>12,346</u>

**NOTE 4 - DEPOSITS, CASH AND CASH EQUIVALENTS**

At June 30, 2002, the carrying amount of the Town's bank balances were \$248,401. The Town's deposits and bank balances were covered by federal depository insurance up to \$ 100,000. The remaining balance was covered by collateral held in the pledging financial institutions' trust department in the Town's name.

NOTES TO FINANCIAL STATEMENTS (continued)

The total collateral pledged amounted to \$344,979 (market value) at June 30, 2002, and averaged \$344,979 to \$427,060 for the entire year. Cash and cash equivalents of \$248,401 were adequately secured as of and for the year ended June 30, 2002.

**NOTE 5 - FIXED ASSETS**

The following is a summary of proprietary fund-type fixed assets at June 30, 2002:

	Enterprise Funds -			
	<u>Water Fund</u>	<u>Gas Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Land	\$ 44,500	\$ 360	\$	\$ 44,860
Machinery and equipment	156,204	17,084		173,288
Gas system and extensions		573,316		573,316
Water system and extensions	1,986,277			1,986,277
Sewer system and extensions			5,450,296	5,450,296
	<u>2,186,981</u>	<u>590,760</u>	<u>5,450,296</u>	<u>8,228,037</u>
Less accumulated depreciation	<u>845,494</u>	<u>177,671</u>	<u>39,341</u>	<u>1,062,506</u>
Net fixed assets	<u>1,341,487</u>	<u>413,089</u>	<u>5,410,955</u>	<u>7,165,531</u>

**NOTE 6 - RETIREMENT COMMITMENTS**

The Town of Leonville is a member of the Municipal Police Employees Retirement System of Louisiana, which covers the eligible employees of the police department. The System is a cost-sharing multiple-employer, statewide retirement system which is administered by a Board of Trustees. The System is financed by employee contributions (7.5%) and employer contributions (9%) based on eligible compensation. Two employees were eligible to participate during the fiscal year ended June 30, 2002. The Town makes contributions for the covered employees based on fourteen percent (14%) of compensation, of which seven percent (7%) is the employees' share. \$3,283 in contributions were made during the fiscal year ended June 30, 2002 on behalf of eligible employees.

The Town also participates in the Municipal Employees Retirement System of Louisiana. This system covers all permanent employees working at least thirty-five hours per week, who are not participating in another public funded retirement system and are under age sixty at date of employment. This System is also a cost-sharing, multiple-employer, statewide retirement system which is administered and controlled by a separate Board of Trustees. The System is financed by employee and employer contributions. \$10,733 in contributions were made during the year ended June 30, 2002 on behalf of eligible employees.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 7 - SEWER BONDS PAYABLE

On January 5, 2001, the Town of Leonville received the proceeds from sewer revenue bonds issued to finance the construction of the Town's sewer system. These bonds are payable over a forty (40) year period with the payment which falls due on the first anniversary date of the bonds (January 5, 2002) consisting of interest only. Commencing February 5, 2002, and proceeding through January 5, 2041, the payments shall consist of monthly installments of principal and interest of \$5,539.

Commencing with the month following completion of and acceptance of the sewer system, a sum of \$229 must be deposited monthly into each a Reserve Fund and a Contingency Fund. Beginning January 20, 2002, the amount to be deposited into the Reserve Fund shall increase to \$277 per month, while the amount to be deposited into the Contingency Fund shall increase to \$554 per month. These monthly deposits shall continue until a sum of \$66,466 has been accumulated in each fund.

Annual debt service requirements to maturity for these bonds, including interest of \$1,344,942, are as follows:

Fiscal Year Ending June 30:	Enterprise Fund - Sewer Fund
2003	\$ 66,466
2004	66,466
2005	66,466
2006	66,466
2007	66,466
2008 and thereafter	2,227,592
	<u>2,559,922</u>

NOTE 8 - GENERAL FUND - FRANCHISE AGREEMENTS

The Town of Leonville has entered into franchise agreements with three companies. The Town receives a percentage of the revenues earned by these companies, for the use of the Town's power lines, poles and other equipment, within the Town's corporate limits.

The St. Landry Cable T.V., Inc. franchise is for a period of fifteen years, expiring April 3, 2012. The Town receives an annual franchise fee equal to three (3%) percent of the revenues collected from subscribers, to be paid by the first day of April for the preceding calendar year.

The Gulf States Utilities Company franchise is for a period of sixty years, expiring January 1, 2033. The Town receives an amount equal to five (5%) percent of the gross receipts of the company from the sale of electricity for residential and commercial purposes in the Town of Leonville.

The SLEMCO franchise is for a period of sixty years, expiring May 23, 2034. The Town receives an annual fee equal to eight (8%) percent of the gross receipts actually collected from its customers within the corporate limits of the Town of Leonville.

## GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWN OF LEONVILLE, LOUISIANA  
GENERAL FUND  
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP) BASIS  
Year Ended June 30, 2002  
With Comparative Actual Amounts for Year Ended June 30, 2001

	2002		Variance -	
	Budget	Actual	Favorable (Unfavorable)	2001 Actual
General government:				
Accounting and audit	1,118	1,118	---	1,733
Salaries	11,815	11,815	---	12,044
Attorney fees	---	---	---	321
Advertising	1,180	1,205	( 25)	17
Employee benefits	4,170	7,372	( 3,202)	5,072
Utilities	2,891	3,126	( 235)	3,630
Office supplies	2,480	2,536	( 56)	2,619
Payroll taxes	320	265	55	319
Miscellaneous	3,467	3,628	( 161)	6,930
Dues and subscriptions	475	469	6	381
Insurance	5,431	5,408	23	4,389
Bank charges	27	47	( 20)	29
Retirement	850	1,031	( 181)	851
Telephone	2,150	2,160	( 10)	1,656
Kitchen supplies	519	657	( 138)	415
Park rent	120	120	---	360
Janitorial supplies	703	716	( 13)	512
Capital outlay	---	---	---	3,855
	<u>37,716</u>	<u>41,673</u>	<u>( 3,957)</u>	<u>45,133</u>
Total general government				
Public safety - police:				
Salaries	54,307	52,942	1,365	38,109
Auto expense	8,419	7,775	644	5,692
Payroll taxes	2,060	2,014	46	1,715
Supplies	2,127	2,175	( 48)	2,782
Retirement	1,953	3,283	( 1,330)	2,105
Employee benefits	2,341	---	2,341	---
Miscellaneous	706	745	( 39)	1,378
Uniforms	836	1,026	( 190)	1,274
Insurance	6,053	5,962	91	7,389
Capital outlay	3,212	2,920	292	25,270
	<u>82,014</u>	<u>78,842</u>	<u>3,172</u>	<u>85,713</u>
Total expenditures				

The accompanying notes are an integral part of this statement.

	2002		Variance -	2001
	Budget	Actual	Favorable (Unfavorable)	Actual
Street department:				
Electricity - street lights	10,766	10,802	( 36)	10,998
Capital outlay	51,618	46,606	5,012	---
Street materials	12,401	7,657	4,744	4,662
Miscellaneous	<u>1,943</u>	<u>1,942</u>	<u>1</u>	<u>417</u>
Total street department	<u>76,728</u>	<u>67,007</u>	<u>9,721</u>	<u>16,076</u>
Total expenditures	<u>196,458</u>	<u>187,522</u>	<u>8,936</u>	<u>146,922</u>

ENTERPRISE FUND

Gas, water and sewer funds -

To account for the provision of gas, water and sewer services to resident of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF LEONVILLE, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2002

	<u>Water Fund</u>	<u>Gas Fund</u>	<u>Sewer Fund</u>	<u>Totals (Memorandum Only)</u>
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash	\$ 203,089	\$ 29,857	\$ 9,791	\$ 242,737
Accounts receivable, net of allow. for uncollectable accounts	66,452	9,044	7,979	83,475
Unbilled service revenue	19,388	1,365	2,578	23,331
Other receivables	---	181	---	181
Grant receivable - USDA	---	---	58,867	58,867
Grant receivable - LCDBG	2,610	---	---	2,610
Cylinder deposits	<u>1,600</u>	<u>---</u>	<u>---</u>	<u>1,600</u>
Total current assets	<u>293,139</u>	<u>40,447</u>	<u>79,215</u>	<u>412,801</u>
<b>Restricted assets:</b>				
<b>Customers deposits:</b>				
Cash	<u>---</u>	<u>12,011</u>	<u>---</u>	<u>12,011</u>
Total restricted assets	<u>---</u>	<u>12,011</u>	<u>---</u>	<u>12,011</u>
<b>Plant and equipment, at cost, net of accumulated depreciation</b>	<u>1,341,487</u>	<u>413,089</u>	<u>5,410,955</u>	<u>7,165,531</u>
Total assets	<u><u>1,634,626</u></u>	<u><u>465,547</u></u>	<u><u>5,490,170</u></u>	<u><u>7,590,343</u></u>

The accompanying notes are an integral part of this statement.

	<u>Water Fund</u>	<u>Gas Fund</u>	<u>Sewer Fund</u>	<u>Totals (Memorandum Only)</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Current liabilities				
(payable from current assets):				
Sewer bonds payable	\$ ---	\$ ---	\$ 7,410	\$ 7,410
Accounts payable	11,528	6,596	59,197	77,321
Accrued expenses	<u>8,059</u>	<u>149</u>	<u>3,744</u>	<u>11,952</u>
Total current liabilities (payable from current assets)	<u>19,587</u>	<u>6,745</u>	<u>70,351</u>	<u>96,683</u>
Current liabilities				
(payable from restricted assets):				
Customers' deposits	<u>---</u>	<u>11,095</u>	<u>---</u>	<u>11,095</u>
Total current liabilities (payable from restr. assets)	<u>---</u>	<u>11,095</u>	<u>---</u>	<u>11,095</u>
Long-term liabilities				
Sewer bonds payable	<u>---</u>	<u>---</u>	<u>1,207,570</u>	<u>1,207,570</u>
Total long-term liabilities	<u>---</u>	<u>---</u>	<u>1,207,570</u>	<u>1,207,570</u>
Total liabilities	<u>19,587</u>	<u>17,840</u>	<u>1,277,921</u>	<u>1,315,348</u>
<b>Fund equity:</b>				
Contributed capital:				
Membership fees	116,660	---	---	116,660
Customer contributions	234,165	23,774	6,535	264,474
Anti Recession Fund	3,723	1,850	---	5,573
Federal Revenue sharing	3,269	12,179	---	15,448
Block Grants	321,796	528,689	798,178	1,648,663
State grants	130,437	16,348	---	146,785
Federal grants	92,005	---	3,385,000	3,477,005
Intergovernmental	---	---	23,032	23,032
Total contributed capital	<u>902,055</u>	<u>582,840</u>	<u>4,212,745</u>	<u>5,697,640</u>
Retained earnings:				
Unreserved (deficit)	<u>712,984</u>	<u>( 135,133)</u>	<u>( 496)</u>	<u>577,355</u>
Total retained earnings	<u>712,984</u>	<u>( 135,133)</u>	<u>( 496)</u>	<u>577,355</u>
Total fund equity	<u>1,615,039</u>	<u>447,707</u>	<u>4,212,249</u>	<u>6,274,995</u>
Total liab.and fund equity	<u>1,634,626</u>	<u>465,547</u>	<u>5,490,170</u>	<u>7,590,343</u>

TOWN OF LEONVILLE, LOUISIANA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN RETAINED EARNINGS  
 Year Ended June 30, 2002

	<u>Water</u>	<u>Gas</u>	<u>Sewer</u>	<u>Total</u>
Operating revenues:				
Charges for services:				
Water sales	\$508,217	\$ ---	\$ ---	\$508,217
Gas sales	---	80,976	---	80,976
Sewer revenues	---	---	21,750	21,750
Delinquent penalties	12,359	---	---	12,359
Miscellaneous	<u>14,982</u>	<u>866</u>	<u>571</u>	<u>16,419</u>
Total operating revenue	<u>535,558</u>	<u>81,842</u>	<u>22,321</u>	<u>639,721</u>
Operating expenses:				
Water department	446,124	---	---	446,124
Gas department	---	65,422	---	65,422
Sewer department	---	---	<u>50,595</u>	<u>50,595</u>
Total operating expenses	<u>446,124</u>	<u>65,422</u>	<u>50,595</u>	<u>562,141</u>
Operating income(loss)	<u>89,434</u>	<u>16,420</u>	<u>( 28,274)</u>	<u>77,580</u>
Non-operating revenues (expenses):				
Interest income	1,845	541	76	2,462
Interest expense	---	---	<u>( 18,298)</u>	<u>( 18,298)</u>
Total non-operating revenues (expenses)	<u>1,845</u>	<u>541</u>	<u>( 18,222)</u>	<u>( 15,836)</u>
Income (loss) before operating transfers	91,279	16,961	<u>( 46,496)</u>	61,744
Transfer to/from Sewer Fund	( 46,000)	---	46,000	---
Transfers to General Fund	<u>( 38,000)</u>	<u>( 26,000)</u>	<u>---</u>	<u>( 64,000)</u>
Net operating transfers	<u>( 84,000)</u>	<u>( 26,000)</u>	<u>46,000</u>	<u>( 64,000)</u>
Net income (loss)	7,279	<u>( 9,039)</u>	<u>( 496)</u>	<u>( 2,256)</u>
Retained earnings (deficit), beginning	<u>705,705</u>	<u>(126,094)</u>	<u>---</u>	<u>579,611</u>
Retained earnings (deficit), ending	<u>712,984</u>	<u>(135,133)</u>	<u>( 496)</u>	<u>577,355</u>

The accompanying notes are an integral part of this statement.

TOWN OF LEONVILLE, LOUISIANA  
 COMBINING STATEMENT OF CASH FLOWS  
 Year Ended June 30, 2002

	<u>Water</u>	<u>Gas</u>	<u>Sewer</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income (loss)	\$ 7,279	\$( 9,039)	\$( 496)	\$( 2,256)
Adjustments to reconcile net loss to net cash provided by operations:				
Depreciation	53,741	16,672	39,341	109,754
Decrease (increase) in:				
Accounts receivable	4,245	1,627	( 7,979)	( 2,108)
Unbilled service revenue	( 2,755)	( 82)	( 2,578)	( 5,415)
Other receivables	---	( 181)	---	( 181)
Grants receivable	( 2,610)	---	530,933	528,323
Cylinder deposits	400	---	---	400
Increase (decrease) in:				
Accounts payable/accrued exp.	7,019	3,855	(553,481)	(542,608)
Due to other funds	---	---	( 2,010)	( 2,010)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>67,319</u>	<u>12,852</u>	<u>3,730</u>	<u>83,899</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease in restricted assets	---	335	---	335
Purchase of plant and equipment	(115,880)	( 25,537)	( 991,925)	(1,133,340)
Decrease in customer deposits	---	( 460)	---	( 460)
Decrease in bonds payable	---	---	( 5,020)	( 5,020)
Increase in contributed capital	<u>112,004</u>	<u>1,875</u>	<u>996,195</u>	<u>1,110,074</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>( 3,876)</u>	<u>( 23,787)</u>	<u>( 750)</u>	<u>( 28,411)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	63,443	( 10,935)	2,980	55,488
<b>CASH AT BEGINNING OF YEAR</b>	<u>139,646</u>	<u>40,791</u>	<u>6,812</u>	<u>187,249</u>
<b>CASH AT END OF YEAR</b>	<u>203,089</u>	<u>29,856</u>	<u>9,792</u>	<u>242,737</u>

The accompanying notes are an integral part of this statement.

TOWN OF LEONVILLE, LOUISIANA  
 ENTERPRISE FUNDS  
 COMBINING SCHEDULE OF OPERATING EXPENSES  
 Year Ended June 30, 2002

	2002
Gas department:	
Accounting and audit fees	\$ 1,118
Gas purchases	29,055
Insurance and bond expenses	1,023
Miscellaneous	1,724
Office supplies	816
Payroll taxes	668
Repairs and maintenance	5,150
Salaries	8,512
Depreciation	16,672
Bad debts	289
Retirement	365
Total gas department	65,422
Water department:	
Accounting and audit fees	2,235
Depreciation	53,741
Insurance	31,651
Miscellaneous	22,245
Salaries	214,938
Repairs and maintenance	23,250
Payroll taxes	15,991
Retirement and employee benefits	27,872
Bad debts	1,202
Office supplies	2,927
Utilities	35,058
Computer expense	966
Truck expense	9,577
Uniforms	3,747
Telephone	724
Total water department	446,124
Sewer department:	
Utilities	6,314
Repairs and maintenance	2,270
Depreciation	39,341
Miscellaneous	2,670
Total sewer department	50,595
Total operating expenses	580,439

The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account group accounts for fixed assets not used in proprietary fund operations.

TOWN OF LEONVILLE, LOUISIANA  
STATEMENT OF GENERAL FIXED ASSETS  
June 30, 2002

	<u>2002</u>
General Fixed Assets	
Land	\$ 8,912
Buildings	87,056
Equipment	<u>53,729</u>
Total general fixed assets	<u><u>149,697</u></u>
Investment in General Fixed Assets From:	
General Fund revenues	101,537
Federal grants	<u>48,160</u>
Total investment in general fixed assets	<u><u>149,697</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF LEONVILLE, LOUISIANA  
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS  
Year Ended June 30, 2002

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Totals</u>
General fixed assets, beginning of year	\$ 8,912	\$ 87,056	\$ 50,809	\$146,777
Additions:				
General fund revenues	<u>---</u>	<u>---</u>	<u>2,920</u>	<u>2,920</u>
Total additons	<u>---</u>	<u>---</u>	<u>2,920</u>	<u>2,920</u>
Deletions:				
General fund revenues	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total deletions	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
General fixed assets, end of year	<u>8,912</u>	<u>87,056</u>	<u>53,729</u>	<u>149,697</u>

The accompanying notes are an integral part of this statement.

**GENERAL INFORMATION**

TOWN OF LEONVILLE, LOUISIANA  
SCHEDULE OF GENERAL INFORMATION AND STATISTICAL DATA  
June 30, 2002

Governing Body

The Town of Leonville, Louisiana operates under the "Mayor and Board of Aldermen" form of government. The governing body and their income for the year ended June 30, 2002 is as follows:

Honorable Joel Lanclos, Mayor	\$ 1,200
Honorable Gayle Hebert	1,200
Honorable J. B. Stelly	1,200
Honorable Joseph Davis	1,200
Honorable Ulysses Pelafigue	1,200
Honorable Dorothy Meche	1,200

# RICHARD C. URBAN

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To the Mayor and Board of Aldermen  
Town of Leonville, Louisiana

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the general purpose financial statements of the Town of Leonville, Louisiana, as of and for the year ended June 30, 2002, and have issued our report thereon dated December 20, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Town of Leonville, Louisiana financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Leonville, Louisiana internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation

that we consider to be material weaknesses.

This report is intended for the information and use of the Town Council, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Richard C. Urban". The signature is fluid and cursive, with a prominent initial "R" and "U".

RICHARD C. URBAN, C.P.A.

Opelousas, Louisiana  
December 20, 2002

TOWN OF LEONVILLE, LOUISIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended June 30, 2002

<u>Federal Grantor/ Program Title</u>	<u>CFDA No.</u>	<u>Grant ID No.</u>	<u>Federal Award Received</u>	<u>Program Expenditures</u>
U.S. Dept. of Housing and Urban Development:				
Passed through Louisiana Office of Community Development:				
LCDBG	14.219	578503	89,395	89,395
U.S. Dept. of Justice:				
Office of Justice COPS Program	16.710	N/A	2,628	2,628
U.S. Dept. of the Interior:				
Passed through the LA Dept. of Agriculture and Forestry	N/A	N/A	5,000	5,000
U.S. Dept. of Agriculture:				
Grants for Waste Disposal	10.760	N/A	<u>1,515,592</u>	<u>1,515,592</u>
Total federal assistance			<u>1,612,615</u>	<u>1,612,615</u>

1. The Town of Leonville, Louisiana, is indebted to the USDA Rural Development for bonds with a balance of \$1,214,980 at June 30, 2002.
2. The above schedule has been prepared on the cash basis of accounting.

RICHARD C. URBAN

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To the Mayor and Board of Aldermen  
Town of Leonville, Louisiana

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of the Town of Leonville, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2002. The Town's major federal programs are identified in the schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town's compliance with those requirements.

In our opinion, the Town of Leonville, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major programs for the year ended June 30, 2002.

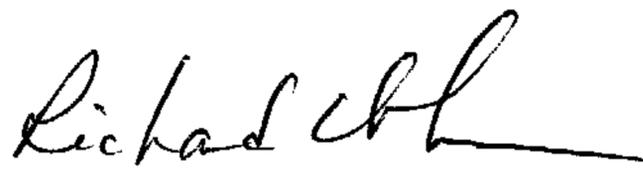
Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws,

regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Town Council, the Louisiana Office of Community Development, and the Legislative Auditor of the State of Louisiana, and is not intended to be used by anyone other than these specified parties.



RICHARD C. URBAN, C.P.A.

Opelousas, Louisiana  
December 20, 2002

TOWN OF LEONVILLE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

The following have been identified as major federal programs for the year ended June 30, 2002.

<u>Federal Grantor/Program Title</u>	<u>CFDA No.</u>	<u>Grant ID No.</u>	<u>Program Expenditures</u>
U.S. Dept. of Agriculture:			
Waste Disposal System Grants	10.760	N/A	\$1,515,592

1. The auditor's report expresses an unqualified opinion on the financial statements of the Town of Leonville, Louisiana.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs expresses an unqualified opinion.
6. No findings were found relative to the major federal award programs for the Town of Leonville, Louisiana.
7. The threshold for distinguishing Types A and B programs was \$300,000.
8. The Town of Leonville, Louisiana qualified as a low-risk auditee.
9. The schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

FINDINGS

No findings were noted with this report.